

Message

From: Sylvia Ho [sylvia.ho@us.ibm.com]
Sent: 5/20/2019 9:44:55 PM
To: bryantracy@google.com
CC: Ahilan Sinnathurai [Ahilan.Sinnathurai@ibm.com]; Alfonse Cognata [Alfonse.Cognata@ibm.com]; allimartucci@google.com; Amanda A Dean [Amanda.Dean@us.ibm.com]; angelini@google.com; bjankovsky@google.com; David Virenius [David.Virenius@ibm.com]; Felix Zeng [fzeng@us.ibm.com]; glevitte@google.com; gminguzzi@google.com; Jeremy Hlavacek [jeremy.hlavacek@us.ibm.com]; Joey Trotz [Joey.Trotz@ibm.com]; Kevin Antoine [kantoin@us.ibm.com]; rahulsr@google.com; samcox@google.com; shivsinha@google.com
Subject: Re: Unified Pricing Followup: Watson Advertising's list of questions

Hi Bryan,

Thank you for hosting the meeting last week! As mentioned in the meeting, we had a couple reporting capability questions for Unified Pricing Rules. They might be on your radar already but just to follow up for some updates - thank you very much!

- When 'Unified pricing rule' is in the UI report, the following fields are not able to be added along with 'Total impressions' and 'Total CPM and CPC revenue' metrics

1. Advertiser
2. Line item type
3. Key-value
4. Position (pos): a custom dimension derived from Key-values, only available in UI

- Will 'Unified pricing rule' be available in API reports? And maybe in Data Transfer?

Best,

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IBM Watson

 Email wa_sales_analytics@wwpdl.vnet.ibm.com to reach the entire **Watson Advertising Sales Analytics** team

----- Original message -----

From: Bryan Tracy <bryantracy@google.com>
To: Felix Zeng <fzeng@us.ibm.com>
Cc: Ahilan Sinnathurai <Ahilan.Sinnathurai@ibm.com>, Alfonse Cognata <Alfonse.Cognata@ibm.com>, Allison Martucci <allimartucci@google.com>, Amanda A Dean <Amanda.Dean@us.ibm.com>, Brian Jankovsky <bjankovsky@google.com>, Jeremy Hlavacek <jeremy.hlavacek@us.ibm.com>, Joey Trotz <Joey.Trotz@ibm.com>, Kevin Antoine <kantoin@us.ibm.com>, Rahul Srinivasan <rahulsr@google.com>, Sam Cox <samcox@google.com>, Shiv Sinha <shivsinha@google.com>, Sylvia Ho <sylvia.ho@us.ibm.com>, Fabrizio Angelini <angelini@google.com>, George Levitte <glevitte@google.com>, Giulio Minguzzi <gminguzzi@google.com>, David Virenius <David.Virenius@ibm.com>
Subject: Re: Unified Pricing Followup: Watson Advertising's list of questions
Date: Thu, May 9, 2019 3:15 PM

+Fabrizio Angelini +George Levitte +Giulio Minguzzi

Hi Felix -

Please find the follow up to the questions from the Weather team [here](#).

We look forward to meeting on Monday to review the transition to first-price auctions and unified pricing rules.

Please feel free to send over any follow up questions in advance of the meeting.

Thanks,
Bryan

From: David Virenius <David.Virenius@ibm.com>

Date: Mon, Apr 29, 2019 at 5:26 PM

To: <bryantracy@google.com>

Cc: Ahilan Sinnathurai, Alfonse Cognata, <allimartucci@google.com>, Amanda A Dean, <bjankovsky@google.com>, Felix Zeng, Jeremy Hlavacek, Joey Trotz, Kevin Antoine, <rahulsr@google.com>, <samcox@google.com>, <shivsinha@google.com>, Sylvia Ho

Great, thanks Bryan. Appreciate it.

----- Original message -----

From: Bryan Tracy <bryantracy@google.com>

To: David Virenius <David.Virenius@ibm.com>

Cc: Ahilan Sinnathurai <Ahilan.Sinnathurai@ibm.com>, Alfonse Cognata <Alfonse.Cognata@ibm.com>, Allison Martucci <allimartucci@google.com>, Amanda A Dean <Amanda.Dean@us.ibm.com>, Brian Jankovsky <bjankovsky@google.com>, Felix Zeng <fzeng@us.ibm.com>, Jeremy Hlavacek <jeremy.hlavacek@us.ibm.com>, Joey Trotz <Joey.Trotz@ibm.com>, Kevin Antoine <kantoine@us.ibm.com>, Rahul Srinivasan <rahulsr@google.com>, Sam Cox <samcox@google.com>, Shiv Sinha <shivsinha@google.com>, Sylvia Ho <sylvia.ho@us.ibm.com>

Subject: Re: Unified Pricing Followup: Watson Advertising's list of questions

Date: Mon, Apr 29, 2019 1:42 PM

Hi David -

Interesting suggestion - thanks for sending it over. Just wanted to confirm we have added the question to the list that we are working to address. We will circle back with an update on all of the question submitted by end of week.

Thanks,
Bryan

On Wed, Apr 24, 2019 at 6:56 PM David Virenius <David.Virenius@ibm.com> wrote:

Thanks Bryan,

Can we launch 1st price 100% on Weather Underground May 1st?

We can then measure the impact, optimize, etc. and be more prepared for the Weather launch in June.

Dave

David Virenius

Director, Programmatic Platforms

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----- Original message -----

From: Bryan Tracy <bryantracy@google.com>

To: Felix Zeng <fzeng@us.ibm.com>, Shiv Sinha <shivsinha@google.com>

Cc: Brian Jankovsky <bjankovsky@google.com>, Allison Martucci <allimartucci@google.com>, Sam Cox <samcox@google.com>, Rahul Srinivasan <rahulsr@google.com>, Jeremy Hlavacek <jeremy.hlavacek@us.ibm.com>, Joey Trotz <Joey.Trotz@ibm.com>, David Virenius <David.Virenius@ibm.com>, Sylvia Ho <sylvia.ho@us.ibm.com>, Ahilan Sinnathurai <Ahilan.Sinnathurai@ibm.com>, Kevin Antoine <kantoine@us.ibm.com>, Alfonse Cognata <Alfonse.Cognata@ibm.com>, Amanda A Dean <Amanda.Dean@us.ibm.com>

Subject: Re: Unified Pricing Followup: Watson Advertising's list of questions

Date: Wed, Apr 24, 2019 5:45 PM

+Shiv Sinha

Hi Felix-

Thanks for sending over the follow up questions. We are going to work on gathering responses and will circle back with you on this string. We appreciated the time yesterday hearing the feedback on Unified Pricing and the First Price Auction from the Weather team. We are looking forward to working through the transition together and helping set up the Weather team to continue its success in the future.

Please feel free to reach out with any additional questions or feedback in the meantime.

Thanks,
Bryan

On Wed, Apr 24, 2019 at 2:53 PM Felix Zeng <fzeng@us.ibm.com> wrote:
Brian, Sam, Alli, Bryan and Rahul,

Thank you and your team for your time yesterday. We agreed that this is a once in a decade change and we are concerned about its impact on our large Programmatic business. We want to collaborate on improvements before the changes are fully roll out.

Our collective questions are below. I included ones that we asked on the call and Google's answers in italics so Google can confirm our understandings are correct.

After we receive your responses, we can set up a time to talk about the outstanding questions.

Best,
Felix

A. Capabilities for Publishers:

1. Are we still able to floor Advertisers AND DSPs? *No, floor by advertisers but it would be the same price across all DSPs.*

2. Can we make the bid data available earlier? Where can our Data team go to grab this data? Yes, *google will work with us in a separate meeting.*

3. Google will change the floors depending on reserved price, enhanced dynamic allocation, etc... Do publishers have access to these to inflated prices? *No, but Rahul will talk to the engineers.*

If our goal is transparency, then if these prices are passed to the buy side then we need to see these prices passed to the sell side also.

4. If the inflated pricing is not available to publishers, we need a toggle to turn off enhanced dynamic allocation. We want transparency so inflated prices based on EDA takes away from transparency.

5. Preferred deals-Why give Google Preferred deals absolute priority if all must be equal? *Sam is open if the other exchanges don't flag every impression as preferred deals. Also if the exchanges don't artificially lift bids.*

6. If Google is concerned with other exchanges adjusting bids, why would Google roll out this package if bid shading is available on the buy side? For a transparent and a fair ecosystem, we cannot bid shade on the buy side as well. The system cannot be sustainable if bids are adjusted on the buy side by platform (Rubicon has EMR but Index doesn't) but publishers have no means to adjust floors by platform.

7. Can we get fully transparent reporting around dynamic allocation and first look as part of this move towards fairness and transparency?

8. Google confirmed for the time being there is nothing on the roadmap to provide any insights while we are testing 1st price on 1-5% of data. Is there any way we can at least get ad hoc reporting? It will be helpful so when we do go 100% first price we are pricing the floors with some direction.

9. Can Google include header bidder bid density data via line item rates in their bid landscape report? *No, Google don't have any data from headers. Can Google provide the winning bid and the identity of the header given Google owns Admanager 360 so the winner and the winning bid is known.*

10. Will Google provide the identity of both winners and losers for auctions by impression?

11. Rollout is 1% until May or 1% in April?

12. This was rolled out to some publishers in beta. What were some of the major issues and what are the outstanding issues?

13. Google is making this move for market transparency and efficiency. It seems as though this move is more to favor the buy side and the publisher side seems to be left completely out. The buy side

will have time to adapt to 1st price including bid shading. We would at minimum need at least ad hoc reporting during the testing phase in order to have some direction to how we should price day 1.

B: Buyside of the changes:

1. Will the bid landscape and 100% of the bids info be available for Adwords? *Yes, that will be available.*
2. AdX will be shading bids to ease the buyside into 1st price auction, what is the average % the bids will be shaded by?
3. What determines how much the bid will be shaded by?
4. Can you provide any insight as to how the floor impacts the bid shading algorithm?
5. DV360 must have enhanced their algorithm to bid into other SSPs who have moved to 1st price auctions, what has been the outcome we can come to expect?
6. In AdX's 2nd price auction today, what is the average reduction between 1st and 2nd price? How does this compare to the average reduction from bid shading? This can help us identify if we will be net-negative in terms of CPMs
7. Does the buyside have access to the 1-5% rollout information to adjust their bids? If they do, why do they have ramp up time but publishers must wait until 100% in July to see the effects?
8. The buyside offers bid shading tools so transparency seems to be going one sided because how is google making sure the bid that makes into the exchange is the raw bid and not a bid that has been shaded?

C. Fairness in the marketplace

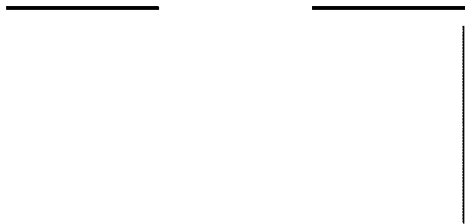
1. Will Google flow adwords demand to other SSPs given Google is asking all SSPs to flow their demand through EBDA?
 - a. If Buyers are looking for SPO then we should make every exchange fair with all the demand.
2. Rumor that Google requires all headers to also run in EBDA? If thats true- will you waive the 5% upcharge to use EBDA?

Thank you,

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